GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1915
ANSWERED ON:10.12.2015
Allocation of Funds to National Carrier
Shekhawat Shri Gajendra Singh

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Ministry/Air India has not fully spent the allocated funds in the Eleventh Five Year Plan;

(b) if so, the details thereof and the reasons therefor;

(c) the details of the amount received during the above said period for ameliorating the economic plight of Air India as well as Indian Airlines; and

(d) the improvement being made in the economic condition of Air India subsequent to the merger of both the airlines?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) & (b) The 11th Five Year Plan Outlay(2007-2012) for Air India Ltd was approved at Rs 32730.71 crores. Out of this amount, the actual expenditure upto the end of FY 2011-12 is Rs 23963.36 crores i.e. 73.21 % of the total outlay.

The expenditure during the 11th Plan Period was by and large as per the targets set for the 11th Plan. However, shortfall in expenditure was primarily due to deferment in delivery of three B 777-300ER aircraft & delay in induction of twenty B-787-8 aircraft due to production delays by Boeing for these aircraft. Out of the 85 aircraft projected to have been acquired in the 11th Plan Period, only 62 aircraft were actually acquired by the company. Due to the Production delays of B-787-8 aircraft by M/s Boeing, the induction of this aircraft into Air India"s fleet was delayed and the delivery of these aircraft had actually commenced during the 12th Plan Period from September 2012.

(c) In the 11th Plan Period, Air India received the following amounts as Equity Infusion from the Govt of India:
<pre>
Year Amount (Rs. in Crores)
2009-10 800
2010-11 1200
2011-12 1200
Total 3200
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(d) In view of the losses suffered by Air India upto 2010-11 and its mounting debt burden, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 12.04.2012, approved a Turnaround Plan(TAP)/ Financial Restructuring Plan(FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion by the government of Rs.30231 crores upto 2021 subject to achievement of certain financial and operational parameters as laid down in the TAP/FRP.

As a result of implementing TAP the company has made improvements in FY 2014-15(provisional results) in comparison to FY 2011-12 which are as under:
(i) Improvements in Financial Performance
-> The Operating Loss has consistently reduced since merger and in 2014-15 the same stands at Rs.2636.19 crores as compared to Rs.5138.69 crores in 2011-12.
-> As per 2014-15 the Net Loss is Rs.5859.91 crores as against the loss of Rs.7559.74 crores in 2011-12 i.e. a reduction by 22.5%.
-> The Company has turned EBIDTA positive by Rs 337.77 crores as against the negative EBIDTA of Rs 2236.95 crores in 2011-12.
-> Total Revenue increased from Rs 14713.81 crores in 2011-12 to Rs 20606.27 crores in 2014-15 i.e. by Rs.5892.46 crores i.e. by 40.1% as compared to levels of 2011-12 .

(ii) Improvement in Operational Performance
-> The company has shown considerable improvement in the OTP. The overall Network OTP achieved during 2014-15 is 72.7% as compared to 68.2% in 2011-12.
-> The Passenger Load Factor has improved to 73.7% in 2014-15 from the Passenger Load Factor of 67.9% in 2011-12.
-> The Network Yield achieved is Rs.4.39/RPKM in 2014-15 as against Rs.3.74/RPKM in 2011-12.
-> The number of Revenue Pax has increased from 13.40 Million in 2011-12 to 16.88 Million in 2014-15.